



[HF 318](#) – Statewide Preschool Program (LSB1495HV)
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Fiscal Note Version – New

Description

[House File 318](#) allows school districts to expand the eligibility and funding provisions for the Statewide Voluntary Preschool Program (SWVPP) to select five-year-old children depending on birthdate (expanding eligibility to children who reach the age of five between March 15 and September 15 of the school year):

- Beginning in school year 2022-2023 (FY 2024 funding).
- Ending in school year 2024-2025 (FY 2026 funding).

The Bill allows for more than one year of State funding for the same cohort of five-year-old children; however, a school district must give priority to four-year-old children born on or before September 15 of the school year.

The Bill directs school districts to provide consultation services for the parents or guardians of children enrolled or eligible to enroll in the SWVPP in assessing a child's readiness for enrollment in either the SWVPP or kindergarten.

The Bill further directs the Department of Education (DE) to collect additional data on preschool and transitional kindergarten programs.

Background

Under current law, the SWVPP provides funding to school districts for eligible preschool-age children (four years old) and programs. There are 321 school districts that participate in the SWVPP. Eligible and certified enrolled children are funded through the State school aid formula solely from the General Fund at the State cost per pupil (SCPP) multiplied by half the eligible enrollment counts from the previous school year. The total General Fund appropriation in FY 2021 is estimated at \$88.3 million, which includes any audit adjustments. A child is only eligible for one year of State funding.

Five-year-old children may attend a preschool through the SWVPP if space is available; however, five-year-old children are not eligible for State funding. Districts have the option of using any remaining funds in their preschool program fund or flexibility fund or charging tuition for children who are not four years of age by September 15 of the current school year. During the 2019-2020 and 2020-2021 school years, an average of 139 five-year-old children with birthdates within the provisions of this Bill were funded through the SWVPP through the use of carryover funds or other allowable sources. The DE estimates that up to 5,953 five-year-old children may be eligible to be added to the budget enrollment count in October 2022 for SWVPP funding in FY 2024.

In 2016, Florida changed its voluntary prekindergarten ([VPK](#)) program to allow parents to delay kindergarten enrollment, making five-year-old children eligible for the VPK program. However,

this program differs from the provisions of this Bill by not allowing multiple years of enrollment. According to [data](#) collected by the [National Institute for Early Education Research](#) (NIEER) and from the Florida [Office of Early Learning](#), during the 2017-2018 school year there were 929 five-year-old children in the state's VPK, comprising 0.5% of the total VPK enrollment. A similar ratio for Iowa's State-funded SWVPP enrollment equals 125 pupils.

Assumptions

- Enrollment for five-year-old children under the provisions of this Bill will begin in school year 2022-2023 and end in school year 2024-2025.
- State aid funding for eligible five-year-old children will begin in FY 2024 and end in FY 2026.
- Under current law, the SCPP will remain at the current level of \$7,048 for FY 2024 through FY 2026, and eligible five-year-old children will be funded by State aid from the General Fund at \$3,524 per pupil. Any increase in the SCPP will increase this assumption.
- At a minimum, an equal number of eligible five-year-old children (139) previously funded by other means will be funded through State aid under the provisions of this Bill.
- The current program capacity by district to allow additional eligible five-year-old children to participate is unknown.
- Furthermore, it is not known whether the three-year limit of the funding will prevent a school district from investing in additional staff or additional capacity to expand their programs.
- Therefore, it is not known how many eligible five-year-old children in total may be funded through the SWVPP under the provisions of this Bill.

Fiscal Impact

- The estimated minimum fiscal impact for HF 318 is \$490,000 in FY 2024 and will remain at the same level annually until FY 2026.
- Any additional increase in eligible five-year-old children will increase the fiscal impact by \$3,524 per pupil. As an example, an additional 50 eligible five-year-old children will increase State aid by an additional \$176,000.
- School districts may see an increase in staff costs. According to the DE, the cost of an average teacher full-time equivalent (FTE) position including benefits is \$79,673.
- Consultation services may increase a school district's expenses from its SWVPP fund. The extent of the fiscal impact on a district's SWVPP fund is not known and is expected to vary by program.

Sources

Department of Education
Department of Management, school aid and levy files
National Institute of Early Education Research
LSA calculations

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
